

ENTERED

April 13, 2023

Nathan Ochsner, Clerk

**IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re

Alexander E. Jones,

Debtor,

Bankruptcy

Case No. 22-33553 (CML)

Chapter 11

In re

Free Speech Systems LLC,

Debtor,

Bankruptcy

Case No. 22-60043 (CML)

Chapter 11

Neil Heslin, Scarlett Lewis, Leonard Pozner,
Veronique De La Rosa, and Estate of
Marcel Fontaine,

Plaintiffs,

v.

Alexander E. Jones and Free Speech Systems LLC,
Defendants.

Adv. Pro. No.: 23-03034 (CML)

David Wheeler, Francine Wheeler, Jacqueline
Barden, Mark Barden, Nicole Hockley, Ian Hockley,
Jennifer Hensel, Donna Soto, Carlee Soto-Parisi,
Carlos M. Soto, Jillian Soto Marino, William
Aldenberg, William Sherlach, Robert Park, and
Richard M. Coan, as chapter 7 trustee for the estate
of Erica Lafferty,

Plaintiffs,

v.

Alexander E. Jones and Free Speech Systems LLC,
Defendants.

Adv. Pro. No. 23-03036 (CML)

STIPULATION AND AGREED ORDER ABATING FSS ADVERSARY PROCEEDINGS

This stipulation and agreed order (“Stipulation and Agreed Order”) is made by and between debtor Free Speech Systems, LLC (“FSS”), the Texas Plaintiffs,¹ and the Connecticut Plaintiffs in the above-captioned cases:

WHEREAS, on July 29, 2022, FSS filed a voluntary petition for relief under Chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) with the United States Bankruptcy Court for the Southern District of Texas (the “Court”) (Bankruptcy Case No. 22-60043 (CML);

WHEREAS, on December 2, 2022, Alexander E. Jones (“Jones”) filed a voluntary petition for relief under the Bankruptcy Code with the Court (Bankruptcy Case No. 22-33553 (CML));

WHEREAS, on March 10, 2023, the Texas Plaintiffs filed adversary proceedings against FSS and Jones, (Adv. Pro. Nos.: 23-03034 and 23-03035 (together, the “Texas Plaintiffs’ Adversary Proceedings”));

WHEREAS, on March 10, 2023, the Connecticut Plaintiffs filed adversary proceedings against FSS and Jones, (Adv. Pro. Nos.: 23-03036 and 23-03037 (together, the “Connecticut Plaintiffs’ Adversary Proceedings,” and with the Texas Plaintiffs’ Adversary Proceedings, the Adversary Proceedings”));

WHEREAS, on March 24, 2023, the Texas Plaintiffs and Connecticut Plaintiffs filed the Texas and Connecticut Plaintiffs’ Motions;

WHEREAS, on April 4, 2023, the Court held a hearing on the Texas and Connecticut Plaintiffs’ Motions;

¹ Defined terms used, but not defined herein, have the meanings ascribed to them in *Emergency Motion of the Texas Plaintiffs for Entry of an Order (A) Scheduling Certain Dates and Deadlines, (B) Establishing Certain Protocols in Connection with Such Hearings, and (C) Granting Related Relief* [Docket No. 7 in Adv. Pro. Case Nos. 23-03034 (CML) and 23-03035 (CML)] (the “Texas Plaintiffs’ Motion”) and *the Emergency Motion of the Connecticut Plaintiffs for Entry of an Order (A) Scheduling Certain Dates and Deadlines, (B) Establishing Certain Protocols in Connection with Such Hearings, and (C) Granting Related Relief* [Docket No. 16 in Adv. Pro. Case Nos. 23-03036 (CML) and 23-03037 (CML)] (the “Connecticut Plaintiffs’ Motion,” and together with the Texas Plaintiffs’ Motion, the “Texas and Connecticut Plaintiffs’ Motions”)

NOW, THEREFORE, IT IS HEREBY STIPULATED, AGREED AND SO ORDERED:

1. Adversary Proceedings 23-03034 and 23-03036 (together, the “FSS Adversary Proceedings”) shall be abated until the earlier of fourteen (14) days after the Fifth Circuit Court of Appeals issues a decision in, or declines to hear, the appeal certified on February 2, 2023 in *Avion Funding, LLC v. GFS Industries, LLC*, Case No. 23-90009.

2. Jones and FSS shall not argue that the pendency of the Adversary Proceedings prohibits the Texas Plaintiffs and/or the Connecticut Plaintiffs from taking any discovery outside of the Adversary Proceedings that they would otherwise be entitled to take pursuant to Rule 2004 of the Federal Rules of Bankruptcy Procedure and Local Rule 2004-1 of the United States Bankruptcy Court for the Southern District of Texas.

3. By entry of this Order, the Connecticut Plaintiffs and the Texas Plaintiffs hereby dismiss Jones, without prejudice, from the FSS Adversary Proceedings.


4. For the avoidance of doubt, the Texas Plaintiffs and Connecticut Plaintiffs agree not to assert that FSS is estopped from relitigating matters that are litigated in the Jones Adversary Proceedings (Case Nos. 23-03035 and 23-03037) while the FSS Adversary Proceedings are abated.

5. This Stipulation and Agreed Order shall not be modified, altered, amended, or vacated without the prior written consent of FSS, the Texas Plaintiffs, and Connecticut Plaintiffs, and any such amendment, modification or alteration, in whole or in part, shall be subject to the approval of the Court.

6. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Stipulation and Agreed Order.

THE FOREGOING STIPULATION IS SO ORDERED:

Signed: April 13, 2023



Christopher Lopez
United States Bankruptcy Judge

AGREED IN FORM AND SUBSTANCE:

Dated: April 12, 2023

CAIN & SKARNULIS PLLC

By: /s/ Ryan E. Chapple

Ryan E. Chapple
State Bar No. 24036354
303 Colorado Street, Suite 2850
Austin, Texas 78701
Telephone: (512) 477-5000
Fax: (512) 477-5011

Counsel to the Connecticut Plaintiffs

KOSKOFF KOSKOFF & BIEDER PC

Alinor C. Sterling (admitted *pro hac vice*)
350 Fairfield Avenue
Bridgeport, Connecticut 06604
Telephone: (203) 336-4421

**PAUL, WEISS, RIFKIND,
WHARTON & GARRISON LLP**

Kyle J. Kimpler (admitted *pro hac vice*)
Christopher Hopkins (admitted *pro hac vice*)
Daniel S. Sinnreich (admitted *pro hac vice*)
Daniel A. Negless (admitted *pro hac vice*)
Briana P. Sheridan (admitted *pro hac vice*)
1285 Avenue of the Americas
New York, New York 10019-6064
Telephone: (212) 373-3000
Fax: (212) 757-3990

*Counsel to the Connecticut Plaintiffs other than
Richard M. Coan, as chapter 7 trustee for the
estate of Erica Lafferty*

WILLKIE FARR & GALLAGHER LLP

By: /s/ Jennifer J. Hardy

Jennifer J. Hardy
State Bar No. 24096068
600 Travis Street
Houston, Texas 77002
Telephone: 713-510-1700
Fax: 713-510-1799

-and-

Rachel C. Strickland (admitted *pro hac vice*)
Stuart R. Lombardi (admitted *pro hac vice*)
Ciara A. Sisco (admitted *pro hac vice*)
787 Seventh Avenue
New York, New York 10019
Telephone: 212-728-8000
Fax: 212-728-8111

MCDOWELL HETHERINGTON LLP

Avi Moshenberg
State Bar No. 24083532
1001 Fannin Street Suite 2700
Houston, Texas 77002
Telephone: 713-337-5580
Fax: 713-337-8850

**CHAMBERLAIN, HRDLICKA, WHITE,
WILLIAMS & AUGHTRY, PC**

Jarrold B. Martin
State Bar No. 24070221
1200 Smith Street Suite 1400
Houston, Texas 77002

ZEISLER & ZEISLER, PC

Eric Henzy (admitted *pro hac vice*)

10 Middle Street, 15th Floor

Bridgeport, Connecticut 06604

Telephone: (203) 368-5495

Telephone: 713-356-1280

Fax: 713-658-2553

Counsel to the Texas Plaintiffs

*Counsel to Richard M. Coan, as chapter 7
trustee for the estate of Erica Lafferty*

Law Offices of Ray Battaglia, PLLC

By: /s/ Raymond W. Battaglia

Raymond W. Battaglia

State Bar No. 01918055

66 Granburg Circle

San Antonio, Texas 78218

Telephone: (210) 601-9405

Counsel to Debtor Free Speech Systems, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing stipulation has been served on counsel for FSS and Jones and all parties receiving or entitled to notice through CM/ECF on this 12th day of April, 2023.

/s/ Jennifer J. Hardy
Jennifer J. Hardy